

STATE OF SOUTH DAKOTA
SOUTH DAKOTA DEPARTMENT OF HUMAN SERVICES
3800 E. HWY 34, C/O 500 E. CAPTIOL AVE.
PIERRE, SOUTH DAKOTA 57501

**SOUTH DAKOTA DEPARTMENT OF HUMAN SERVICES DIVISION OF DEVELOPMENTAL
DISABILITIES RATE METHODOLOGY**
PROPOSALS ARE DUE NO LATER THAN MARCH 6, 2020 AT 5P.M. CDT

RFP #: 1930

State POC: Dan Hoblick

EMAIL:
Daniel.Hoblick@state.sd.us

READ CAREFULLY

FIRM NAME: _____ AUTHORIZED SIGNATURE: _____

ADDRESS: _____ TYPE OR PRINT NAME: _____

CITY/STATE: _____ TELEPHONE NO: _____

ZIP (9 DIGIT): _____ FAX NO: _____

E-MAIL: _____

PRIMARY CONTACT INFORMATION

CONTACT NAME: _____ TELEPHONE NO: _____

FAX NO: _____ E-MAIL: _____

1.0 GENERAL INFORMATION

1.1 PURPOSE OF REQUEST FOR PROPOSAL (RFP)

Through this Request for Proposal (RFP) the Division of Developmental Disabilities (DDD) within the Department of Human Services is seeking to establish contracts with one or more vendors to meet the state law requirements regarding rate-setting requirements for community support providers found at SDCL Chapter 28-22.

- The DDD is responsible for administering the CHOICES Program, a 1915(c) Medicaid Home and Community Based Services (HCBS) Waiver for individuals with intellectual and developmental disabilities. This waiver serves as a funding source for approximately 2800 waiver participants. The DDD contracts with 20 Community Support Providers (CSP's) located throughout South Dakota to provide the services necessary to support a participant's independence and community involvement. Services include: residential supports; career exploration; day habilitation; supported employment; nursing; shared living; specialized medical services, equipment and drugs.

The DDD currently establishes annual individual budget amounts (IBA) for its CHOICES waiver participants via the Service Based Rate (SBR) model. SBR works on the principle of multiple regression and assures that available resources are allocated equitably based upon the needs and mix of services received by a waiver participant. The DDD uses the Inventory for Client and Agency Planning (ICAP) assessment to measure the intensity of needs and the service mix includes a combination of seven possible services. The core of the SBR model is the generation of an IBA. The DDD then converts the IBA into a daily rate, allowing CSPs to bill one daily rate per individual for the mix of services provided.

This project involves developing a new or revised algorithm. The new or revised algorithm will need to reflect the current service mix, as well as up-to-date service delivery cost and productivity data along with the ability to incorporate future costs associated with impending federal regulations related to HCBS waiver programs.

1.2 ISSUING OFFICE AND RFP REFERENCE NUMBER

The South Dakota Department of Human Services is the issuing office for this document and all subsequent addenda relating to it, on behalf of the State of South Dakota, Department of Human Services. The reference number for the transaction is RFP #1930 This number must be referred to on all proposals, correspondence, and documentation relating to the RFP.

1.3 SCHEDULE OF ACTIVITIES (SUBJECT TO CHANGE)

RFP Publication	02/03/2020
Deadline for Submission of Written Inquiries	02/10/2020
Responses to Offeror Questions	02/17/2020
Proposal Submission	03/06/2020
Anticipated Award Decision/Contract Negotiation	03/20/2020

1.4 SUBMITTING YOUR PROPOSAL

All proposals must be completed and received in the South Dakota Department of Human Services by the date and time indicated in the Schedule of Activities. Proposals received after the deadline will be late and ineligible for consideration.

One original hard copy of the proposal must be submitted by mail and an electronic version made available.

Due to security concerns the State will not accept electronic proposals on portable media so Offerors must provide a secure location where the State can electronically download the Offeror's proposal(s). This secure location can be a SFTP site, an encrypted FTP site or a webpage using SSL if files are only downloaded and nothing has to be uploaded. Offeror's shall reference their secure web location in the paper copy of their proposal.

All proposals must be signed, in ink, by an officer of the responder, legally authorized to bind the responder to the proposal, and sealed in the form intended by the respondent. Proposals that are not properly signed may be rejected. The sealed envelope must be marked with the appropriate RFP Number and Title. The words "Sealed Proposal Enclosed" must be prominently denoted on the outside of the shipping container. **Proposals must be addressed and labeled as follows:**

**South Dakota Department of Human Services
Attention: Dan Hoblick
Request for Proposal #1930
3800 E. Hwy 34
C/O 500 E. Capitol Ave.
Pierre, SD 57501**

No proposal shall be accepted from, or no contract or purchase order shall be awarded to any person, firm or corporation that is in arrears upon any obligations to the State of South Dakota, or that otherwise may be deemed irresponsible or unreliable by the State of South Dakota.

1.5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS

By signing and submitting this proposal, the offeror certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation, by any Federal department or agency, from transactions involving the use of Federal funds. Where the offeror is unable to certify to any of the statements in this certification, the bidder shall attach an explanation to their offer.

1.6 NON-DISCRIMINATION STATEMENT

The State of South Dakota requires that all contractors, vendors, and suppliers doing business with any State agency, department, or institution, provide a statement of non-discrimination. By signing and submitting their proposal, the offeror certifies they do not discriminate in their employment practices with regard to race, color, creed, religion, age, sex, ancestry, national origin or disability.

1.7 RESTRICTION OF BOYCOTT OF ISRAEL

For contractors, vendors, suppliers, or subcontractors with five (5) or more employees who enter into a contract with the State of South Dakota that involves the expenditure of one hundred thousand dollars (\$100,000) or more, by submitting a response to this solicitation or agreeing to contract with the State, the bidder or offeror certifies and agrees that the following information is correct:

The bidder or offeror, in preparing its response or offer or in considering proposals submitted from qualified, potential vendors, suppliers, and subcontractors, or in the solicitation, selection, or commercial treatment of any vendor, supplier, or subcontractor, has not refused to transact business activities, has not terminated business activities, and has not taken other similar actions intended to limit its commercial relations, related to the subject matter of the bid or offer, with a person or entity on the basis of Israeli national origin, or residence or incorporation in Israel or its territories, with the specific intent to accomplish a boycott or divestment of Israel in a discriminatory manner. It is understood and agreed that, if this certification is false, such false certification will constitute grounds for the State to reject the bid or

response submitted by the bidder or offeror on this project and terminate any contract awarded based on the bid or response. The successful bidder or offeror further agrees to provide immediate written notice to the contracting executive branch agency if during the term of the contract it no longer complies with this certification and agrees such noncompliance may be grounds for contract termination.

1.8 MODIFICATION OR WITHDRAWAL OF PROPOSALS

Proposals may be modified or withdrawn by the offeror prior to the established due date and time.

No oral, telephonic, telegraphic or facsimile responses or modifications to informal, formal bids, or Request for Proposals will be considered.

1.9 OFFEROR INQUIRIES

Offerors must email inquiries concerning this RFP to obtain clarification of requirements. No inquiries will be accepted after the date and time indicated in the Schedule of Activities. Inquiries must be emailed to **Dan Hoblick** at **Daniel.Hoblick@state.sd.us** with the subject line "RFP #1930.

The South Dakota Department of Human Services will respond to offeror's inquiries (if required) via e-mail. In addition, all inquiries and the State's response will be posted on the state's e-procurement system. Offerors may not rely on any other statements, either of a written or oral nature, that alter any specification or other term or condition of this RFP. Offerors will be notified in the same manner as indicated above regarding any modifications to this RFP.

1.10 PROPRIETARY INFORMATION

The proposal of the successful offeror(s) becomes public information. Proprietary information can be protected under limited circumstances such as client lists and non-public financial statements. An entire proposal may not be marked as proprietary. Offerors must clearly identify in the Executive Summary and mark in the body of the proposal any specific proprietary information they are requesting to be protected. The Executive Summary must contain specific justification explaining why the information is to be protected. Proposals may be reviewed and evaluated by any person at the discretion of the State. All materials submitted become the property of the State of South Dakota and may be returned only at the State's option.

1.11 LENGTH OF CONTRACT

The contract period ends on December 31, 2020 with two one-year options to renew.

1.12 GOVERNING LAW

Venue for any and all legal action regarding or arising out of the transaction covered herein shall be solely in the State of South Dakota. The laws of South Dakota shall govern this transaction.

1.13 DISCUSSIONS WITH OFFERORS (ORAL PRESENTATION/NEGOTIATIONS)

An oral presentation by an offeror to clarify a proposal may be required at the sole discretion of the State. However, the State may award a contract based on the initial proposals received without discussion with the Offeror. If oral presentations are required, they will be scheduled after the submission of proposals. Oral presentations will be made at the offeror's expense.

This process is a Request for Proposal/Competitive Negotiation process. Each Proposal shall be evaluated, and each respondent shall be available for negotiation meetings at the State's request. The

State reserves the right to negotiate on any and/or all components of every proposal submitted. From the time the proposals are submitted until the formal award of a contract, each proposal is considered a working document and as such, will be kept confidential. The negotiation discussions will also be held as confidential until such time as the award is completed.

2.0 STANDARD CONTRACT TERMS AND CONDITIONS

Any contract or agreement resulting from this RFP will include the State's standard terms and conditions as seen in Attachment A. The Offeror should indicate in their response any issues they have with any specific contract terms. If the Offeror does not indicate any contract term issues, then the State will assume the terms are acceptable.

- 2.1** The South Dakota Department of Human Services intends to make payment installments which align with milestones and deliverables as outlined in the winning Offeror's proposal, and as negotiated by the parties.

3.0 SCOPE OF WORK

This section of the RFP describes the two categories of the work to be completed: 1) Collaboration and Compliance and 2) Data Analysis and Rate Modeling. This RFP may result in a single award or in multiple awards. Vendors submitting proposals have the option to propose on 1) Collaboration and Compliance; 2) Data Analysis and Rate Modeling; or 3) both. In addition, vendors may address 3.3 as an optional add-on proposal. Vendors must address 1) Collaboration and Compliance; 2) Data Analysis and Rate Modeling or 3) both to address 3.3. The paragraphs below describe the specific scope of work to be performed by the vendor. The vendor's proposal must illustrate their experience and how they propose to complete each of the tasks in the scope of work. The proposal should address each item separately in the order set out below.

- 3.1** Collaboration and compliance portion of the contract consists of the following:

- 3.1.1 Organizing the planning meetings with DDD staff, agendas and presentation for the workgroup meetings and preparation of materials for the public meetings.
- 3.1.2 Collect the 2019 Provider Cost Reports, review for discrepancies and aggregate the data.
- 3.1.3 Collect data from the CSPs regarding service delivery and staffing requirements.
- 3.1.4 Review service definitions and propose changes to service definitions and identify those changes in service definition that may have a fiscal impact.
- 3.1.5 Identify those opportunities presented by the data analysis and rate modeling process that may require a CHOICES waiver amendment and provide guidance with in the drafting and presentation of those waiver changes to the Medicaid Agency.
- 3.1.6 Prepare in collaboration with DDD a draft annual report, as required in SDCL28-22-5, to the Governor and Legislature regarding the rate structure and any variances. (Item due by November 30, 2020).
- 3.1.7 Inform all recommendations and presentations to stakeholders, policy makers and DDD staff with knowledge of federal requirements requiring rate structure and cost reporting.

- 3.2** Data Analysis and rate modeling portion of the contract consists of the following:

- 3.2.1 Analysis of the 2019 Provider cost reports.
- 3.2.2 Collection and analysis of the 2019 audited financial statements.

- 3.2.3 Reconciliation of the cost reports and the financial statements.
- 3.2.4 Review of the SBR model and its inputs.
- 3.2.5 Identification of discrepancies in the current rate and provide recommendations on the resolution of those discrepancies.
- 3.2.6 Provide a new formula for the daily rate calculation that reconciles the IBA results with the cost report and other applicable CSP data such ICAP and staff activity logging.
- 3.2.7 Provide model results that show the impact of model changes to show changes in total state/federal revenue to each CSP. (Item due by August 31, 2020).
- 3.2.8 Provide model results that show the total amount of state funding necessary to fully fund the new CSP reimbursement methodology. (Item due by August 31, 2020).
- 3.2.9 Provide input for the draft annual report, as required in SDCL28-22-5, in the form of modeling information and cost data. (Item due by October 31, 2020).
- 3.3 Subsequent follow-up work related to the implementation of a revised methodology (as an optional add-on proposal to Sections 3.1 or 3.2 or both).

4.0 PROPOSAL REQUIREMENTS AND COMPANY QUALIFICATIONS

- 4.1 The offeror is cautioned that it is the offeror's sole responsibility to submit information related to the evaluation categories and that the State of South Dakota is under no obligation to solicit such information if it is not included with the proposal. The offeror's failure to submit such information may cause an adverse impact on the evaluation of the proposal.
- 4.2 **Offeror's Contacts:** Offerors and their agents (including subcontractors, employees, consultants, or anyone else acting on their behalf) must direct all of their questions or comments regarding the RFP, the evaluation, etc. to the buyer of record indicated on the first page of this RFP. Offerors and their agents may not contact any state employee other than the buyer of record regarding any of these matters during the solicitation and evaluation process. Inappropriate contacts are grounds for suspension and/or exclusion from specific procurements. Offerors and their agents who have questions regarding this matter should contact the buyer of record.
- 4.3 The offeror may be required to submit a copy of their most recent audited financial statements upon the State's request.
- 4.4 Provide the following information related to at least three previous and current service/contracts, performed by the offeror's organization, which are similar to the requirements of this RFP. Provide this information for any service/contract that has been terminated, expired or not renewed in the past three years.
 - a. Name, address and telephone number of client/contracting agency and a representative of that agency who may be contacted for verification of all information submitted;
 - b. Dates of the service/contract; and
 - c. A brief, written description of the specific prior services performed and requirements thereof.

5.0 PROPOSAL RESPONSE FORMAT

- 5.1** An original and one electronic copy must be made available. Please refer to Section 1.5 for more information.
- 5.1.1 Offerors may not send the electronically formatted copy of their proposal via email.
- 5.1.2 The proposal should be page numbered and should have an index and/or a table of contents referencing the appropriate page number.
- 5.2** All proposals must be organized and tabbed with labels for the following headings:
- 5.2.1 **RFP Form.** The State's Request for Proposal form completed and signed.
- 5.2.2 **Executive Summary.** The one or two page executive summary is to briefly describe the offeror's proposal. This summary should highlight the major features of the proposal. It must indicate any requirements that cannot be met by the offeror. The reader should be able to determine the essence of the proposal by reading the executive summary. Proprietary information requests should be identified in this section.
- 5.2.3 **Detailed Response.** This section should constitute the major portion of the proposal and must contain at least the following information:
- 5.2.3.1 A complete narrative of the offeror's assessment of the work to be performed, the offeror's ability and approach, and the resources necessary to fulfill the requirements. This should demonstrate the offeror's understanding of the desired overall performance expectations.
- 5.2.3.2 A specific point-by-point response, in the order listed, to each requirement in the RFP. The response should identify each requirement being addressed as enumerated in the RFP.
- 5.2.3.3 A clear description of any options or alternatives proposed.
- 5.2.4 **Cost Proposal.** Cost will be evaluated independently from the technical proposal. Offerors may submit multiple cost proposals. All costs related to the provision of the required services must be included in each cost proposal offered.

See section 7.0 for more information related to the cost proposal.

6.0 PROPOSAL EVALUATION AND AWARD PROCESS

- 6.1** After determining that a proposal satisfies the mandatory requirements stated in the Request for Proposal, the evaluator(s) shall use subjective judgment in conducting a comparative assessment of the proposal by considering each of the following criteria:
- 6.1.1 Specialized expertise, capabilities, and technical competence as demonstrated by the proposed approach and methodology to meet the project requirements;
- 6.1.2 Resources available to perform the work, including any specialized services, within the specified time limits for the project;
- 6.1.3 Record of past performance, including price and cost data from previous projects, quality of work, ability to meet schedules, cost control, and contract administration;

- 6.1.4 Availability to the project locale;
 - 6.1.5 Familiarity with the project locale;
 - 6.1.6 Proposed project management techniques; and
 - 6.1.7 Ability and proven history in handling special project constraints.
- 6.2** Experience and reliability of the offeror's organization are considered subjectively in the evaluation process. Therefore, the offeror is advised to submit any information which documents successful and reliable experience in past performances, especially those performances related to the requirements of this RFP.
- 6.3** The qualifications of the personnel proposed by the offeror to perform the requirements of this RFP, whether from the offeror's organization or from a proposed subcontractor, will be subjectively evaluated. Therefore, the offeror should submit detailed information related to the experience and qualifications, including education and training, of proposed personnel.
- 6.4** The State reserves the right to reject any or all proposals, waive technicalities, and make award(s) as deemed to be in the best interest of the State of South Dakota.
- 6.5** **Award:** The requesting agency and the highest ranked offeror shall mutually discuss and refine the scope of services for the project and shall negotiate terms, including compensation and performance schedule.
- 6.5.1 If the agency and the highest ranked offeror are unable for any reason to negotiate a contract at a compensation level that is reasonable and fair to the agency, the agency shall, either orally or in writing, terminate negotiations with the contractor. The agency may then negotiate with the next highest ranked contractor.
 - 6.5.2 The negotiation process may continue through successive offerors, according to agency ranking, until an agreement is reached or the agency terminates the contracting process.
 - 6.5.3 No feedback calls will be granted at the conclusion of the selection process.

7.0 COST PROPOSAL

- 7.1** Cost Proposal. The vendor must submit an estimated timeline and associated costs to complete the work outlined herein. If milestone or deliverable payments are proposed, sufficient detail must be included to justify the amount of the payment(s).